



**COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR**
KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012



MARK J. SALADINO
TREASURER AND TAX COLLECTOR

November 19, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

16 November 19, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**TREASURER AND TAX COLLECTOR:
RECOMMENDATION TO APPROVE AMENDMENT NUMBER FOUR TO EXTEND AGREEMENT
NUMBER 74507 WITH CORE BUSINESS TECHNOLOGIES FOR CONTINUED LICENSING,
MAINTENANCE, AND SUPPORT FOR THE AUTOMATED CASHIERING SYSTEM
(ALL DISTRICTS - 3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ()
DISAPPROVE ()**

SUBJECT

The recommended action is to approve Amendment Number Four to Agreement Number 74507 with the current contractor, CORE Business Technologies (CORE), to: (a) increase the maximum County of Los Angeles (County) obligation under Agreement Number 74507 by \$200,000 to a total of \$995,170; (b) extend the current term of the maintenance, support, and professional services for the Automated Cashiering System (System); and (c) provide funding for necessary upgrades to the System.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and instruct the Chairman to sign Amendment Number Four to Agreement Number 74507 with CORE to extend the Agreement through January 31, 2015, with an additional four optional one-year renewal periods, and to increase the maximum County obligation under the Agreement by \$200,000 to a total of \$995,170 to be used to upgrade the System and obtain further maintenance, support, and professional services through the extension period.

2. Delegate authority to the Treasurer and Tax Collector (TTC) to negotiate and/or execute Amendments to existing and/or replacement escrow agreements for source code.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The TTC is currently using three Agreements with CORE; Wausau Financial Systems, Inc. (Wausau); and Opex Corporation (Opex) to provide maintenance, support, and professional services for the Remittance Processing, Document Management, and Automated Cashiering services. The TTC has been notified by Wausau that several key components are nearing the end of their useful lives and that an upgrade is required due to the fact that Windows XP will not be supported after April 2014. Due to the interdependency of the components, the TTC discussed the need for upgrades with CORE and Opex and determined a complete System upgrade is necessary to maintain functionality.

The three Agreements are on separate timelines with different expiration dates. The TTC intends to align the Agreements' expiration dates initially to January 2015 for CORE, and January 2016 for OPEX, with the option to extend, on a year to year basis until January 2019. This will ensure the viability and functionality of the current services, allow the time necessary to evaluate all replacement options, and identify and set aside the necessary financial resources.

CORE maintains and supports the System, which processes in-person payments, captures image research payments, performs online lookup services to permit the processing of payments for customers that do not have a remittance stub, and processes credit card payments.

The System also maintains and supports over 200,000 transactions annually, which include, but are not limited to, 48,000 cash transactions, 1,600 credit card transactions, and 100,000 check and money order transactions. The System located at the Kenneth Hahn Hall of Administration requires ongoing maintenance and support utilizing technology that includes software and hardware (printers, scanners, and peripherals) for 12 cashier window stations, one vault cashier station, five back area office workstations, and two remote workstations in Lancaster. The System is also utilized off-site during TTC's Tax Defaulted Property Tax Auction held annually at the Fairplex in Pomona. In addition, the System provides image capture to facilitate research of payments, online lookup to allow the processing of payments for customers who do not have a remittance stub and to process authorized credit card payments.

On June 10, 2003, your Board approved Agreement Number 74507, a five-year Agreement with CORE, to replace and update the System. On May 11, 2010, your Board approved a two-year extension with two optional one-year periods with an end date of June 9, 2014.

The TTC has exercised its second and final optional renewal year with CORE, which is set to expire on June 9, 2014. A term extension is requested to give the TTC enough time to identify and set aside the necessary financial resources and to re solicit for a new/replacement System. Amendment Number Four (Attachment III) extends the term of the Agreement through January 31, 2015, with four optional one-year renewal periods, for a total possible extension through January 31, 2019, and increases the maximum County obligation under the Agreement by \$200,000 to a total of \$995,170. The increase will be used as follows: (a) \$142,000 to upgrade the System; and (b) \$58,000 to obtain further maintenance, support, and professional services through January 31, 2015.

Funding authority for maintenance for the annual extension periods, if exercised, will be obtained

through delegated authority granted to the TTC by your Board under Amendment No. 2, which authorizes the TTC to increase the Maximum Agreement Sum by up to 15% annually to accommodate any increase or decrease in equipment, software and/or maintenance, or professional services necessary for the provision of automated cashiering services.

The consequences of not continuing to maintain and upgrade the current System will compromise the depositing of monies; thereby, decreasing available cash balances and decreasing interest earnings. Posting of payments to the appropriate accounts receivable systems will also be affected; thereby, impacting the ability of the TTC and the other departments to respond to constituent inquiries timely; and more importantly, impact the TTC's comprehensive system of internal controls to prevent theft or misuse of funds.

The allocation of the increase in the maximum County obligation under the Agreement to the upgrade to the System and to further maintenance, support, and professional services will be effectuated through change notices executed by the TTC and approved by the Chief Information Office (CIO) and County Counsel, using delegated authority granted by your Board under the Agreement. The upgrade to the System will provide for updates and replacement of existing software and hardware to ensure the System is compliant and fully operational through January 31, 2019.

This upgrade will ensure the viability and functionality of the current System, allow the time necessary to evaluate all replacement options, conduct a competitive solicitation, and identify and set aside the necessary financial resources. To this end, the TTC has worked with the Chief Executive Office to establish an ongoing Designation Fund for a System replacement to be funded over a three-year period beginning with the TTC's Fiscal Year (FY) 2012-13 ending fund balance. The successful implementation of a new System is contingent upon the TTC's ability to save enough funding for a replacement System during this extension period.

Implementation of Strategic Plan Goals

Implementation of the upgraded System will meet the County's Strategic Plan Goals of Operational Effectiveness (Goal 1) by providing for an effective Automated Cashiering System and Fiscal Sustainability (Goal 2) by leveraging information technology resources to sustain efficient County operations.

FISCAL IMPACT/FINANCING

The maximum amount of Amendment Number Four is \$200,000 and is included in the TTC's FY 2013-14 Adopted Budget. Maintenance through January 31, 2015 is \$58,000. The balance will be used for the System upgrade described above. Funding authority for maintenance for the annual extension periods, if exercised, will be obtained through delegated authority granted to the TTC by your Board under Amendment No. 2, which authorizes the TTC to increase the Maximum Agreement Sum by up to 15% annually to accommodate any increase or decrease in equipment, software and/or maintenance, or professional services necessary for the provision of automated cashiering services.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The CIO reviewed the Amendment and recommends approval. The CIO Analysis is attached as Attachment I.

In accordance with your Board's Policy Number 5.100, Sole Source Contracts, the Sole Source Checklist is attached as Attachment II. The Notice of Intent to negotiate a Sole Source Agreement extension was delivered to your Board on July 30, 2013.

Amendment Number Four (Attachment III) has been reviewed and approved as to form by County Counsel.

The Agreement contains all Board required and legally required provisions.

The Agreement/project is included in the TTC's Business Automation Plan for FY 2013-14.

CONTRACTING PROCESS

This is a Sole Source Agreement extension with CORE, which is the current contractor. The System was implemented in June 2003, after a competitive solicitation consisting of software and hardware purchased from CORE under the Agreement. The software utilized by the System is proprietary to CORE. Therefore, CORE is the only contractor that can provide comprehensive maintenance, support, and professional services.

The requisite licensing, maintenance, and support required to replace the System would be cost prohibitive and would require a considerable amount of analysis and development time to identify and replicate. Given budget curtailments in excess of 30 percent over the last five years, the TTC does not currently have the resources to purchase a new System. Upgrading versus replacing the System proved to be a successful and cost-effective measure in the past and is again a viable solution. In addition, a new contractor, unfamiliar with TTC's business operations and requirements, would experience an extensive learning curve which could negatively impact the TTC's current operation and ability to process payments.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended actions will provide for continuation of the Automated Cashiering services the TTC is currently providing.

The upgrade implementation will take place during off-peak hours between critical processing jobs to mitigate any transition issues and ensure the System testing causes minimal or no disruption to the TTC's operation. Implementation of the upgrade to the System will ensure uninterrupted hardware and software maintenance and support services for the System for the term of the Agreement.

CONCLUSION

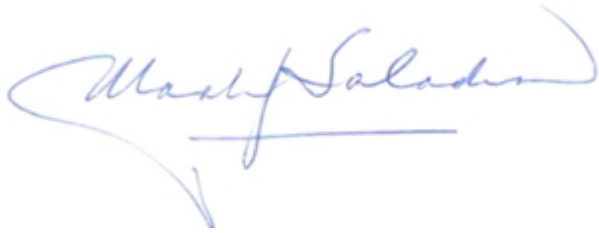
Instruct the Executive Officer-Clerk of the Board to return two signed originals of Amendment Number Four to Agreement Number 74507 to the TTC.

The Honorable Board of Supervisors

11/19/2013

Page 5

Respectfully submitted,

A handwritten signature in blue ink, reading "Mark J. Saladino". The signature is fluid and cursive, with a horizontal line underlining the name.

MARK J. SALADINO

Treasurer and Tax Collector

A handwritten signature in black ink, reading "Richard Sanchez". The signature is cursive and includes a small "Reviewed By:" stamp above the name.

RICHARD SANCHEZ

Chief Information Officer

MJS:JK:SDP

EVT:lc

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Chief Information Officer



RICHARD SANCHEZ
CHIEF INFORMATION OFFICER

Office of the CIO
CIO Analysis

NUMBER:

CA 13-22

DATE:

10/21/2013

SUBJECT:

**TREASURER AND TAX COLLECTOR: RECOMMENDATION TO APPROVE
AMENDMENT NUMBER FOUR TO EXTEND AGREEMENT NUMBER 74507 WITH
CORE BUSINESS TECHNOLOGIES FOR CONTINUED LICENSING, MAINTENANCE,
AND SUPPORT FOR THE AUTOMATED CASHIERING SYSTEM**

RECOMMENDATION:

☒ Approve

☐ Approve with Modification

☐ Disapprove

CONTRACT TYPE:

☐ New Contract

☒ Sole Source

☒ Amendment to Agreement #: 74507

☐ Other: Describe contract type.

CONTRACT COMPONENTS:

☒ Software

☒ Hardware

☐ Telecommunications

☒ Professional Services

SUMMARY:

Department Executive Sponsor: Mark J. Saladino, Treasurer and Tax Collector

Description: The Treasurer and Tax Collector (TTC) is requesting approval for a Sole Source Amendment to an existing Agreement with CORE Business Technologies (CORE) to: a) increase the contract sum by \$200,000 for a system upgrade and maintenance and support services for one year; and b) provide for four optional one-year extensions.

Contract Amount: \$995,170

Funding Source: FY 2013-14 Adopted Budget

☐ Legislative or Regulatory Mandate


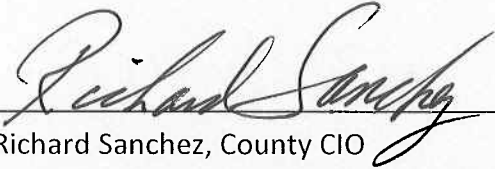
☐ Subvened/Grant Funded: Enter %

**Strategic and
Business Analysis**

PROJECT GOALS AND OBJECTIVES:

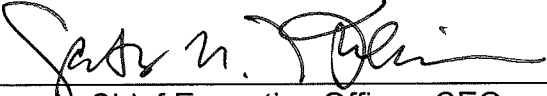
This Amendment will allow for an upgrade to the existing Automated Cashiering System (ACS) and provide maintenance support services while TTC pursues a solicitation for a replacement system.

	<p>BUSINESS DRIVERS:</p> <p>ACS processes 200,000 transactions annually, for in-person payments at the 12 cashier window stations, one vault cashier station, five back area office workstations located at the Kenneth Hahn Hall of Administration, and two remote workstations in Lancaster. Microsoft will discontinue supporting Windows XP software platform in 2014. This upgrade is required to migrate Remittance Processing System (RPS) to the current supported software versions to avoid a lapse in maintenance and support cashiering operations.</p> <hr/> <p>PROJECT ORGANIZATION:</p> <p>The upgrade will be managed by TTC's IT organization under the direction of Ron Moskowitz, Chief Information Officer.</p> <hr/> <p>PERFORMANCE METRICS:</p> <p>All work to be performed by the vendor will be defined in Work Orders with defined tasks and deliverables, and requiring approvals by TTC, CIO, and County Counsel.</p> <hr/> <p>STRATEGIC AND BUSINESS ALIGNMENT:</p> <p>The RPS upgrade supports the County's Strategic Plan Goal 1 – Organizational Effectiveness and Goal 2 – Fiscal Sustainability.</p> <hr/> <p>PROJECT APPROACH:</p> <p>CORE will be responsible for providing the software licenses, hardware, and professional services to perform the ACS upgrade. The terms and service levels for ongoing maintenance and support remain unchanged.</p> <hr/> <p>ALTERNATIVES ANALYZED:</p> <p>TTC will be pursuing a solicitation for a replacement system starting in December 2013. The proposed Amendment will include four optional one-year extensions to provide sufficient coverage for TTC to complete the solicitation.</p>
Technical Analysis	<p>ANALYSIS OF PROPOSED IT SOLUTION:</p> <p>The proposed Amendment Number Four is for CORE to provide TTC with continued maintenance and support services, including periodic upgrades and professional services to accommodate business needs. The CORE managed solution includes cashiering and point of sale devices and computer workstations.</p>

Financial Analysis	<p>BUDGET:</p> <p>Contract costs</p> <p>One-time costs:</p> <p>Hardware & software upgrade..... \$ 142,000</p> <p>Ongoing annual costs:</p> <p>Services \$ 58,000</p> <p>Sub-total Amendment Costs: \$ 200,000</p> <p>Other County costs:</p> <p>Existing contract costs:</p> <p>Services (Contractor) \$ 795,170</p> <p>Total one-time costs:..... \$ 142,000</p> <p>Total ongoing annual costs: \$ 853,170</p> <p>Total Contract Cost: \$ 995,170</p>
Risk Analysis	<p>RISK MITIGATION:</p> <ol style="list-style-type: none"> 1. There is minimal risk associated with Amendment Number Four, since TTC has been using CORE maintenance and support services since 2003. 2. CORE will be wholly responsible for the successful upgrade of their managed hardware and software to be verified with user acceptance testing by TTC. <p>The Chief Information Security Officer (CISO) reviewed the Amendment and did not identify any IT security or privacy related issues.</p>
CIO Approval	<p>PREPARED BY:</p> <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;">  <hr/> <p>Peter Loo, Chief Deputy CIO</p> </div> <div style="text-align: center;"> <p><u>10/30/13</u></p> <hr/> <p>Date</p> </div> </div> <p>APPROVED:</p> <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;">  <hr/> <p>Richard Sanchez, County CIO</p> </div> <div style="text-align: center;"> <p><u>11-4-13</u></p> <hr/> <p>Date</p> </div> </div>

Please contact the Office of the CIO (213.253.5600 or info@cio.lacounty.gov) for questions concerning this CIO Analysis. This document is also available online at <http://cioletranet.lacounty.gov/>

SOLE SOURCE CHECKLIST

Check (√)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source for the service exists; performance and price competition are not available.
	➤ Quick action is required (emergency situation).
	➤ Proposals have been solicited but no satisfactory proposals were received.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
√	➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.
	➤ It is most cost-effective to obtain services by exercising an option under an existing contract.
√	➤ It is in the best interest of the County, e.g. administrative cost savings, excessive learning curve for a new service provider, etc.
	➤ Other reason. Please explain:
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;">  Deputy Chief Executive Officer, CEO </div> <div style="text-align: center;"> 6/2/2013 Date </div> </div>	

**AMENDMENT NUMBER FOUR
TO AGREEMENT NO. 74507 FOR MAINTENANCE AND SUPPORT
OF THE AUTOMATED CASHIERING SYSTEM**

This Amendment Number Four, dated as of November 19, 2013 (hereinafter together with all Exhibits, Schedules, and Attachments hereto, "Amendment No. 4") to the Agreement (as defined below) is entered into by and between the County of Los Angeles (hereinafter "County") and CORE Business Technologies, a Rhode Island corporation (hereinafter "Contractor") and is effective as of the Amendment No. 4 Effective Date (as defined below) based on the following recitals:

WHEREAS, the County and Contractor have entered into that certain Agreement No. 74507 dated as of June 10, 2003, (together with all Exhibits, Schedules and Attachments thereto, all as amended from time to time, hereinafter "Agreement") for an Automated Cashiering System (hereinafter "ACS") which supports the County Treasurer and Tax Collector (hereinafter "TTC") mandated operations of collecting secured and unsecured property taxes. Initial capitalized terms used in this Amendment No. 4 without definition have the meanings given to such terms in the Agreement; and

WHEREAS, the County and Contractor entered into Amendment No. 1 to the Agreement dated as of August 17, 2004, for the substitution of the source code escrow agent under the Agreement; and

WHEREAS, the County and Contractor entered into Amendment No. 2 to the Agreement dated as of March 4, 2008, that, among other things described therein, increased the Maximum Agreement Sum from \$489,175 to \$522,838 to accommodate the purchase of three additional workstations including system hardware, software, and maintenance and support, and delegated authority to the TTC to increase or decrease the Maximum Agreement Sum by up to 15% annually to accommodate technological advances, any increase or decrease in equipment, software and/or maintenance, or necessary professional services as further described in Amendment No. 2, and entered into subsequent Change Notices for administration and/or professional services such that the Maximum Agreement Sum was further increased to \$795,170; and

WHEREAS, the County and Contractor entered into Amendment No. 3 to the Agreement dated as of May 11, 2010, that, among other things described therein, extended the Agreement for two years with two one-year option periods; and

WHEREAS, the County and Contractor desire to amend the Agreement (a) to increase the Maximum Agreement Sum; (b) to extend the current term of the Agreement for the continued maintenance, support, and professional services for the ACS; and (c) to make such other changes described herein, all as further described in, and subject to the terms and conditions of, this Amendment No. 4.

NOW, THEREFORE, in consideration of the foregoing recitals, all of which are incorporated, as part of this Amendment No. 4, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and Contractor hereby agree as follows:

1. Amendment No. 4 Effective Date. This Amendment No. 4 shall be effective as of the date first set forth above ("Amendment No. 4 Effective Date"), which is the date on which this Amendment No. 4 has been approved by the County's Board of Supervisors and executed by an authorized officer of Contractor.
2. Section 7.0 (Term). Amend the Agreement to restate Section 7.0 (Term) in its entirety as follows:

7.0 TERM

- 7.0 This Agreement shall go into effect upon the Effective Date, as defined in Subsection 2.8, and shall continue through January 31, 2015, unless sooner terminated or later extended, in whole or in part, as provided herein.
 - 7.1 The County shall have the irrevocable option, in its sole discretion, to extend the term of this Agreement for up to a maximum of four additional years beyond its initial term, in one year increments. This option may be exercised by the County, by and through County's Project Director. To exercise the County's option, the County's Project director shall provide to Contractor's Project Director, no later than 60 days prior to the expiration of the Agreement or any extension period, written Notice of the County's intention to extend.
 - 7.2 Contractor shall notify the TTC when this Agreement is within six months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written Notice to the TTC at the address herein provided in Section 41.0 (Notices).
3. Section 8.0 (Agreement Sum). Amend the Agreement to restate Section 8.0 (Agreement Sum) in its entirety with the following:

8.0 AGREEMENT SUM

8.1 General

Notwithstanding any other provision of this Agreement, whether expressly or by implication, the Maximum Agreement Sum authorized by the County hereunder shall not exceed a total of \$995,170, which is throughout and hereinafter referred to as the "Maximum Agreement Sum," which Maximum Agreement Sum is allocated as set forth on Appendix D (Schedule of Payments) to Exhibit A (Statement of Work).

8.2 Contractor Responsibility for Taxes

- 8.2.1 Contractor shall pay any and all taxes as are now in effect or shall hereafter be imposed or levied that may be applicable to this Agreement or any of the work performed hereunder including, but not limited to, payroll, income, sales, and social security taxes. In no event shall such obligation(s) and/or payment(s) increase the Maximum Agreement Sum.

8.2.2 County shall be responsible for California Sales Tax.

Notwithstanding Section 8.2.1, the County shall pay all California Sales Tax for purchase of the System directly to the State. In no event shall the obligations of this Section 8.2.2 cause the County's aggregate payments under this Agreement to exceed the Maximum Agreement Sum.

8.2.3 Except to the extent provided in this Section 8.0 (Agreement Sum), there are no other fees, costs, or other expenses of any nature whatsoever to be paid by County under this Agreement. In particular, Contractor's participation in Management Meetings, Staff Meetings, Service Management Meetings, and Contractor preparation of reports under Subsection 5.10 (Reporting by Contractor) shall be provided at no additional cost to County.

8.3 Payment for System Hardware

The County agrees to make payment to Contractor for System Hardware upon Delivery as set forth in Section 20.15 (Delivery and Risk of Loss).

8.4 [Intentionally Omitted]

8.5 County's Obligation in Future Fiscal Years

Notwithstanding any other provision of this Agreement, the County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's future fiscal years unless and until County's Board of Supervisors appropriates funds for this Agreement in County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated.

8.6 [Intentionally Omitted]

8.7 Other Professional Services

Upon written request of County's Project Director made at any time and from time to time during the term of this Agreement, Contractor shall provide to the County other professional services including, but not limited to, Custom Programming Modifications, as set forth in Task 10 (Custom Programming Modifications) of Exhibit A (Statement of Work) as to which the County shall make such request(s).

8.7.1 All professional services including, without limitation, Custom Programming Modifications, shall be provided by Contractor at the Fixed Hourly Rates, not to exceed \$150 during the first year to the term of this Agreement; \$165 during the second year of this Agreement; \$182 during the third year of this Agreement; \$200 during the fourth year of this Agreement; and, \$220 during the remainder of the term of this Agreement.

8.7.2 Custom Programming Modifications shall be provided in the manner set forth in Task 10 (Custom Programming Modifications) of Exhibit A (Statement of Work) including all Appendices thereto and shall only include enhancements

relating to requirements not reflected in Exhibit A (Statement of Work) including all Appendices thereto as determined in the sole judgment of the County's Project Director.

- 8.7.3 Upon County's request for other professional services other than Custom Programming Modifications, Contractor shall provide the County, within 20 days of receipt of such request, a written quotation of a Maximum Total Fixed Price (including, without limitation, Contractor staff level recommendation) in response to County's request. Contractor's quotation shall be valid for 60 days from submission.
- 8.8. The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with the County's express prior written approval.
- 8.9 Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred 75% of the total agreement authorization under this Agreement. Upon occurrence of this event, Contractor shall send written notification to TTC at the address herein provided in Section 41.0 (Notices).
- 4. New Section 45.5 (Changes of Escrow Agent/Agreement). Amend the Agreement to add Section 45.5, "Changes of Escrow Agent/Agreement", as follows:

45.5 Changes of Escrow Agent/Agreement

Contractor may, by written notice to the County, change either the escrow agent for the Source Code or the Escrow Agreement under this Agreement. Any such change shall require execution of a replacement tri-party Escrow Agreement, in form and substance reasonably satisfactory to the County. Upon change of either an escrow agent or Escrow Agreement, the replacement escrow agent or Escrow Agreement, as the case may be, shall constitute an escrow agent or Escrow Agreement, as the case may be, for all purposes under this Agreement.

- 5. New Section 62.0 (Data Destruction). Amend the Agreement to add Section 62.0, "Data Destruction", as follows:

62 DATA DESTRUCTION

Contractor(s) that have maintained, processed, or stored the County data and/or information, implied or expressed, have the sole responsibility to certify that the data and information have been appropriately destroyed consistent with the National Institute of Standards and Technology (NIST) Special Publication SP-800-88, *Guidelines for Media Sanitization*.

Available at: <http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88-Rev.%201>

The data and/or information may be stored on purchased, leased, or rented electronic storage equipment (e.g., printers, hard drives) and electronic devices (e.g., servers, workstations) that are geographically located within the County, or external to the County's boundaries. The County must receive within ten business days a signed document from Contractor that certifies and validates the data and information were placed in one or more of the following stored states: unusable, unreadable, and indecipherable.

Vendor shall certify that any County data stored on purchased, leased, or rented electronic storage equipment and electronic devices including, but not limited to, printers, hard drives, servers, and/or workstations are destroyed consistent with the current NIST Special Publication SP-800-88, *Guidelines for Media Sanitization*. Vendor shall provide the County with written certification, within ten business days of removal of any electronic storage equipment and devices that validates that any and all County data was destroyed and is unusable, unreadable, and/or undecipherable.

6. Appendix D (Schedule of Payments). Amend Appendix D (Schedule of Payments) to Exhibit A (Statement of Work) to the Agreement, as last amended by Amendment No. 3, by deleting the pages thereof both identified as Page 2 and replacing them with Pages 2, Page 3, and Page 4, attached hereto and incorporated by this reference.
7. No Other Amendments; Effect on Agreement. Except as expressly provided in this Amendment No. 4, all other terms and conditions of the Agreement shall remain the same and in full force and effect.
8. Authority. Contractor and the persons executing this Amendment No. 4 on behalf of Contractor hereby represent and warrant that the person executing this Amendment No. 4 for Contractor is an authorized agent who has the actual authority to bind the Contractor to each and every item, condition, and obligation of the Agreement and that all requirements of Contractor have been fulfilled to provide such actual authority.
9. Governing Law. This Amendment No. 4 shall be governed by and construed in accordance, with the laws of the State of California applicable to agreements made and to be performed within the State.

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IN WITNESS WHEREOF, Contractor has executed this Amendment No. 4, or caused it to be duly executed and the County, by order of its Board of Supervisors, has caused this Amendment No. 4 to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

COUNTY OF LOS ANGELES

By *Frank R. Kelley-Thorne*
Chairman, Board of Supervisors

CONTRACTOR
CORE Business Technologies

By *[Signature]*
Signature

PETER WHEALTON
Print Name

CHAIRMAN
Title

ATTEST:

SACHI HAMAI
Executive Officer-Clerk
of the Board of Supervisors

By *Lachelle Smitherman*
Deputy



I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By *Lachelle Smitherman*
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By *[Signature]* FOR
Amanda M.L. Drukker
Senior Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

16

NOV 19 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

74507
Supplement No. 4

**Exhibit A – Statement of Work
Appendix D
Revised Under Amendment No. 4**

Schedule of Payments

Deliverable 7.1	(Intentionally Omitted)	N/A
Deliverable 7.2	(Intentionally Omitted)	N/A
Deliverable 8.1	Site Set-up	\$-0-
Deliverable 8.2	Order, Install, and Test System Hardware	\$-0-
Deliverable 8.3	Trained County Technical Staff	\$-0-
Deliverable 8.4	User Documentation and System Hardware Manuals	\$-0-
Deliverable 8.5	Trained County End User Staff	\$-0-
Deliverable 8.6	Installed, Operable and System Tested Software for the System Hardware	\$-0-
Deliverable 8.7	Successful User Testing	\$-0-
Deliverable 8.8	System Cutover to Production Use	\$48,954
Deliverable 8.9	Production Use of System for 90 Consecutive Days with No Deficiencies	\$48,954
Subtotal Deliverables		\$244,770
System Hardware (Payment due upon delivery)		\$97,840
Other Professional Services (program modification)		\$20,000
Travel (not to exceed)		\$20,000
Maintenance Service – Hardware		\$43,070
Maintenance Service – Software		\$63,495
Subtotal		<u>\$489,175</u>
Amendment One		
I.	Substitution in Escrow Agent	\$0.00
Amendment Two		\$33,663
I.	Agreement Sum Increase for provision of System hardware, application Software, licenses and maintenance for three (3) additional workstations.	
Subtotal		<u>\$522,838</u>
Change Notice One		\$78,425
I.	Increased Agreement Sum by 15% to exercise first option renewal year and professional services in accordance with Section 6.3 of Contract.	
Subtotal		<u>\$601,263</u>

**Exhibit A – Statement of Work
Appendix D
Revised Under Amendment No. 4**

Change Notice Two	\$0.00
I. Change in County Administration (no change in Agreement Sum)	
Change Notice Three	\$0.00
I. Purchase of two (2) Journal Validation printers (no change in Agreement Sum)	
Change Notice Four	\$0.00
I. Term renewal and revised Appendix E, Schedule of System Maintenance – System Hardware and Software (no change in Agreement Sum)	
Change Notice Five	\$90,189
I. Increased contract sum by 15% for maintenance/professional services, technological advances (e.g., credit card module) in accordance with Amendment No. 2, Subsection 6.2.	
Subtotal	<u>\$691,452</u>
Change Notice Six	\$103,718
I. Increased Agreement Sum by 15% for maintenance/professional services, technological advances (e.g., credit card module) in accordance with Amendment No. 2, Subsection 6.2.	
Subtotal	<u>\$795,170</u>
Change Notice Seven	\$0.00
I. Professional Services for on-site design (no change in Agreement Sum).	
Amendment Three	\$0.00
I. Time extension.	
Change Notice Eight	\$0.00
I. System/software enhancement to accept credit cards and PCI compliance (no change in Agreement Sum).	
Change Notice Nine	\$0.00
I. Renewal of licensing and maintenance for CA ARCserve Software Renewal and Custom Report Programming (no change in Agreement Sum).	

**Exhibit A – Statement of Work
Appendix D
Revised Under Amendment No. 4**

Change Notice Ten	\$0.00
I. Professional Services for Custom Modification to be able to retrieve deleted Payfiles (no change in Agreement Sum).	
Change Notice 11	\$0.00
I. Purchase of two optical scanners and maintenance services for three years (no change in Agreement Sum).	
Change Notice 12	\$0.00
I. Change of the Project Director and Project Manager (no change in Agreement Sum).	
Change Notice 13	\$0.00
I. Professional Services for Custom Modification to reflect correct dates when Payfiles were created (no change in Agreement Sum).	
Amendment Four	\$200,000
I. Increase in Agreement Sum for upgrades, maintenance, professional services, and technological advances.	
GRAND TOTAL AGREEMENT SUM	<u>\$995,170</u>